

# HOUSE BILL REPORT

## EHB 2302

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**As Passed House:**

January 26, 1998

**Title:** An act relating to moneys held by a county in trust for school districts.

**Brief Description:** Authorizing counties that hold money in trust for school purposes to distribute the money to school districts.

**Sponsors:** Representatives Honeyford, Lisk, Wolfe, Scott, Gardner and Hankins.

**Brief History:**

**Committee Activity:**

Government Administration: 1/16/98 [DP].

**Floor Activity:**

House Passed: 1/26/98, 97-0.

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### HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** Do pass. Signed by 11 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Reams; Smith; L. Thomas; Wensman and Wolfe.

**Staff:** Caroleen Dineen (786-7156).

**Background:** Joshua Brown's Last Will and Testament, executed in 1870, devised all of his property or its cash proceeds to the public school fund of Klickitat County. Mr. Brown's will specified that interest on the property so devised was to be used to make interest-bearing loans.

In 1875 a territorial law established the Joshua Brown School Fund (the Fund-) for the benefit of the Klickitat County schools. The Fund was to be administered by three commissioners, the county treasurer, county auditor and county school superintendent. The county treasurer was authorized to make interest-bearing loans from the Fund for the acquisition of land and other school expenses.

According to the Klickitat County Board of County Commissioners, the balance of the Fund as of August 11, 1997, was \$4,355.95.

**Summary of Bill:** Any county permitted by territorial law to administer a trust created for the benefit of school districts and funded by a testamentary bequest for such purpose is authorized to dissolve the trust as long as the corpus of the trust does not exceed \$50,000. The county may distribute the balance of any funds held in the dissolved trust to the county's school districts. Before dissolving the trust and distributing the funds, the county must adopt a resolution finding that conditions have changed and that it is no longer feasible for the county to administer the trust.

The territorial law establishing the Joshua Brown School Fund is repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Representative Honeyford (prime sponsor) has been working on this issue for several years. The territorial law establishing the trust specifies that the county school superintendent is one of the commissioners administering the trust. There is no longer a county school superintendent. The existence of this Fund was uncovered in recent years by a local historian and former school teacher in Klickitat County who felt the money should be used to benefit schools. The money from the Joshua Brown School Fund apparently had been placed in the general expense fund but is now in a trust account. The fund balance is now between \$4,300-\$4,400. This bill has been drafted generally so that it should not be considered special legislation.

**Testimony Against:** None.

**Testified:** Representative Honeyford, prime sponsor.